

STATE OF NEW JERSEY
BUREAU OF SECURITIES
OFFICE OF ADMINISTRATIVE LAW
DOCKET NO. BOS 11902-96N

IN THE MATTER OF:

PALMER J. MYERS

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ORDER GRANTING
PARTIAL SUMMARY DECISION

This matter has been presented to the Court by John J. Farmer, Jr., Attorney General of New Jersey, (by John P. Miscione, Deputy Attorney General), on behalf of the New Jersey Bureau of Securities, by motion for partial summary decision as to (1) the charges that Palmer J. Myers violated New Jersey's Uniform Securities Law, N.J.S.A. 49:3-47 et seq., as set forth in the Bureau's December 1996 Administrative Complaint and (2) revocation of Myers' registration as an agent.

The Court has considered the brief and appendix the Bureau submitted, there having been no opposing papers submitted by or on behalf of Myers and the time for such opposition having expired, and has determined that the Bureau's submission shows that the standards for summary decision contained in N.J.A.C. 1:1-12.5(b) have been met, namely, that there is no genuine issue as to any material fact challenged and that the Bureau is entitled to prevail as a matter of law.

Accordingly, the Court finds that Myers, believing that his actions constituted fraudulent sales practices and that they violated the securities law, nevertheless knowingly, intentionally and voluntarily:

- A. offered to sell and sold speculative, high-risk securities using high-pressure sales tactics including misrepresentation and omission of material facts, such as the high-risk nature of the securities;
- B. distributed sales scripts to other agents, to be used to induce customers to purchase speculative, high-risk securities, which scripts were misleading because they misrepresented and omitted important facts, such as risk factors, and provided only favorable information concerning the securities; and
- C. concealed these sales practices from securities regulators and his broker-dealer's compliance department, e.g., by destroying the sales scripts.

Further, the Court concludes that:

- A. Myers' acts and practices constitute violations of §52(b) of the Securities Law, namely, misrepresenting and failing to disclose material information regarding the securities recommended;

- B. Myers' acts and practices also constitute violations of §52(c) of the Securities Law, enjoining "any . . . course of business which . . . would operate as a fraud . . . ," namely, (1) distributing misleading sales scripts to other agents which misrepresented and omitted important facts, and provided only favorable information concerning the recommended securities and (2) concealing these practices from securities regulators and the broker-dealer's compliance Department;
- C. Myers' violations are neither minor nor technical; and
- D. revocation of Myers' registration as an agent is in the public interest, for the protection of investors and consistent with the policy and purposes of the Securities Law.

WHEREFORE, IT IS ORDERED THAT:

Myers' registration as an agent is revoked retroactive to November 6, 1995.

This order granting partial summary decision is being submitted under N.J.A.C. 1:1-12.5(e) for immediate review. This recommended order may be adopted, modified or rejected by the **CHIEF**

Within thirteen (13) days from the date on which this order was mailed to the parties, any party may file written exceptions with the **CHIEF OF THE BUREAU OF SECURITIES, 153 Halsey Street, 6th Floor, P.O. Box 47029, Newark, New Jersey 07101**, marked "Attention: Exceptions." A copy of any exceptions must be sent to the judge and to the other parties.

DATE _____

Jeffrey A. Gerson, A.L.J.

DATE _____

BUREAU OF SECURITIES

DATE _____

OFFICE OF ADMINISTRATIVE LAW